

MAY 30 '06 12:57 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)  
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OF COUNSEL  
URBAN A. LESTER

May 30, 2006

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan and Security Agreement, dated as of May 25, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower: Chicago Southshore & South Bend  
Railroad Co.  
505 North Carroll Avenue  
Michigan City, IN 46360

Lender: RBS Asset Finance, Inc.  
d/b/a Charter One Asset Finance  
89 Canal Street  
Providence, RI 02903

Mr. Vernon A. Williams  
May 30, 2006  
Page 2

A description of the railroad equipment covered by the enclosed document is:

100 coil railcars: CSS 2100 – CSS 2199.

A short summary of the document to appear in the index is:

Memorandum of Loan and Security Agreement.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem  
Enclosures

RECORDATION NO. 26370 FILED

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SURFACE TRANSPORTATION BOARD

Filed and Recorded with the  
Surface Transportation Board  
on \_\_\_\_\_ at  
\_\_\_\_\_ and  
given Recordation  
No. \_\_\_\_\_

**MEMORANDUM OF LOAN AND SECURITY AGREEMENT**

This Memorandum of Loan and Security Agreement is made and entered into as of May 25, 2006, by and among **CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO.**, a general partnership created under the laws of Indiana (hereinafter referred to as "Borrower") and RBS Asset Finance, Inc., d/b/a **CHARTER ONE ASSET FINANCE**, a New York corporation (hereinafter referred to as "Lender") respecting that certain Loan and Security Agreement (hereinafter referred to as the "Loan Agreement") dated as of May 25, 2006, between Borrower and Lender.

Borrower and Lender hereby affirm and acknowledge that: Lender has agreed to loan to the Borrower and the Borrower has agreed to borrow from the Lender and grant the Lender a first priority security interest in the rolling stock of the Borrower identified on Schedule A attached hereto, effective as of the date hereof and subject to the terms defined in the Loan Agreement.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due authority, has caused this Memorandum of Loan and Security Agreement to be duly executed in its name by its officers, thereunto duly authorized, all as of the date first above written.

BORROWER:

**CHICAGO SOUTHSORE &  
SOUTH BEND RAILROAD CO.**

By: Lance Werner

Name: Lance Werner

Title: Treasurer

LENDER:

**RBS Asset Finance, Inc., d/b/a  
CHARTER ONE ASSET FINANCE**

By: [Signature]

Name: John M. Young

Title: Senior Vice President

**Borrower's Notary Page**

STATE OF: Indiana  
COUNTY OF: LaPorte SS.

On May 25, 2006, before me, Ramona K. Pilecki personally  
(Notary Name and Title)  
appeared Lance Weiner personally known to me (or proved to me on the  
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to  
within the instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

RAMONA K. PILECKI  
NOTARY PUBLIC STATE OF INDIANA  
LA PORTE COUNTY

MY COMMISSION EXP. DEC. 7, 2006

WITNESS my hand and official seal.

Signature: Ramona K. Pilecki  
(Notary Seal)

**Lender's Notary Page**

STATE OF: Rhode Island

COUNTY OF: Providence SS.

On May 26, 2006, before me, Debra L. Lucchesi personally  
(Notary Name and Title)  
appeared John M. Young personally known to me (or proved to me on the  
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to  
within the instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

WITNESS my hand and official seal.

Signature: Debra L. Lucchesi  
(Notarial Seal)

## SCHEDULE A

### **One Hundred (100) New Coil Railcars Manufactured by Trinity North America Freight Car, Inc.**

<u>Cars</u>	<u>Car Number</u>	<u>Cars</u>	<u>Car Number</u>
1	CSS 2100	51	CSS 2150
2	CSS 2101	52	CSS 2151
3	CSS 2102	53	CSS 2152
4	CSS 2103	54	CSS 2153
5	CSS 2104	55	CSS 2154
6	CSS 2105	56	CSS 2155
7	CSS 2106	57	CSS 2156
8	CSS 2107	58	CSS 2157
9	CSS 2108	59	CSS 2158
10	CSS 2109	60	CSS 2159
11	CSS 2110	61	CSS 2160
12	CSS 2111	62	CSS 2161
13	CSS 2112	63	CSS 2162
14	CSS 2113	64	CSS 2163
15	CSS 2114	65	CSS 2164
16	CSS 2115	66	CSS 2165
17	CSS 2116	67	CSS 2166
18	CSS 2117	68	CSS 2167
19	CSS 2118	69	CSS 2168
20	CSS 2119	70	CSS 2169
21	CSS 2120	71	CSS 2170
22	CSS 2121	72	CSS 2171
23	CSS 2122	73	CSS 2172
24	CSS 2123	74	CSS 2173
25	CSS 2124	75	CSS 2174
26	CSS 2125	76	CSS 2175
27	CSS 2126	77	CSS 2176
28	CSS 2127	78	CSS 2177
29	CSS 2128	79	CSS 2178
30	CSS 2129	80	CSS 2179
31	CSS 2130	81	CSS 2180
32	CSS 2131	82	CSS 2181
33	CSS 2132	83	CSS 2182
34	CSS 2133	84	CSS 2183
35	CSS 2134	85	CSS 2184
36	CSS 2135	86	CSS 2185
37	CSS 2136	87	CSS 2186
38	CSS 2137	88	CSS 2187
39	CSS 2138	89	CSS 2188
40	CSS 2139	90	CSS 2189
41	CSS 2140	91	CSS 2190
42	CSS 2141	92	CSS 2191
43	CSS 2142	93	CSS 2192
44	CSS 2143	94	CSS 2193
45	CSS 2144	95	CSS 2194
46	CSS 2145	96	CSS 2195
47	CSS 2146	97	CSS 2196
48	CSS 2147	98	CSS 2197
49	CSS 2148	99	CSS 2198
50	CSS 2149	100	CSS 2199